

MEMORANDUM

February 5, 2009

TO: Planning, Housing, and Economic Development Committee

FROM: Craig Howard, ^{CH}Legislative Analyst
Richard Romer, Legislative Analyst ^{RR}
Office of Legislative Oversight

SUBJECT: **Worksession on OLO Report 2009-7: *Organization of Recreation Programs across the Department of Parks and Department of Recreation***

On February 9, 2009, the Planning, Housing, and Economic Development (PHED) Committee will hold a worksession on OLO Report 2009-7. The Council formally received and released this report on January 13th.

This OLO report responds to the Council's request to provide the basis for an informed discussion about the organization of recreation programs across the Maryland-National Capital Park and Planning Commission's (M-NCPPC) Montgomery County Department of Parks and Montgomery County's Department of Recreation. Specifically, the report identifies the array of recreation programs offered by the departments, reviews how the departments coordinate the delivery of recreation programs, and provides options for the possible restructuring of recreation programs.

The County Government will be represented at the worksession by:

- Kathleen Boucher, Assistant Chief Administrative Officer
- Gabriel Albornoz, Director, Department of Recreation
- Joseph Beach, Director, Office of Management and Budget

The Planning Board will be represented at the worksession by:

- Royce Hanson, Chairman, Montgomery County Planning Board
- Mary R. Bradford, Director, Department of Parks

A. WORKSESSION ORDER

OLO recommends the following order for the Committee worksession:

1. Project Summary: OLO will present a power point summary of the report's findings and recommendations. An executive summary is attached at ©1.
2. Agency Comments: Staff representing County Government and the Planning Board will present comments on the OLO report. The Chief Administrative Officer's written comments are at ©5; the Director of the Department of Parks' written comments are at ©8; and the Planning Board's written comments are at ©15. In addition, the Countywide Recreation Advisory Board's comments are at ©18.
3. Committee Questions and Worksession: Councilmembers will have an opportunity to ask questions of OLO and agency representatives, and then discuss and consider the report's findings and recommendations.

B. OPTIONS FOR POSSIBLE RESTRUCTURING OF RECREATION PROGRAMS

The County Council requested this OLO study to provide the basis for an informed discussion about options for the possible restructuring of recreation programs across the Department of Parks and Department of Recreation. Four options for restructuring are listed below.

The first option proposes consolidating the management of all recreation programs under one department. The other three options maintain the existing two department structure, but provide some of the benefits that would come from consolidation.

- **Option A: Consolidate the management of all recreation programs under one department.**

A1: Consolidate all recreation programs under management of the Montgomery County Recreation Department. Under this option, the County Government's Department of Recreation would be assigned responsibility for planning, managing, and delivering all recreation programs. The Department of Parks would continue to manage the County's park system, and carry-out its many other functions.

A2: Consolidate all recreation programs under management of the Montgomery County Department of Parks. This option proposes consolidating recreation programs under the authority of the Planning Board. The Department of Recreation would most likely be abolished, with its remaining functions that do not fit the definition of recreation programs shifted to another County Government department.

- **Option B: Maintain the two department structure, but assign program responsibilities between the two to eliminate overlap.** Under this option, both departments would continue to offer recreation programs, but responsibilities across the five similar program categories (identified in the report) would be clearly divided between the two to eliminate overlap.

- **Option C: Maintain the two department structure, but consolidate recreation program registration and marketing under one department.** Under this option, responsibility for the functions of program registration and marketing would be consolidated under one department. More study would be required to determine whether this merge should occur under the management of the Recreation or Parks Department.
- **Option D: Maintain the two department structure, but press for implementation of the provisions negotiated in the 2004 Memorandum of Understanding (MOU).** In July 2004, the departments entered into an MOU to improve service delivery and coordination. To date, the specific action steps outlined in the MOU have been only partially implemented. Under this option, the Council would encourage the Chief Administrative Officer and Planning Board Chair to place greater priority on implementing the MOU actions steps.

C. OLO RECOMMENDATION FOR COUNCIL ACTION

OLO recommends the Council endorse consolidation of all recreation programs under one department (Option A1 or A2). Recognizing the multiple staffing and program details that must be worked out with such a change, OLO also recommends the Council assign and establish the deadline for the preparation of a Transition and Implementation Plan.

In sum, OLO recommends the Council pursue consolidation of all recreation programs under the management of a single department for the following reasons:

- OLO did not find any distinct public benefits that result from the current dual agency structure;
- The track record of coordination efforts between the Department of Recreation and Department of Parks demonstrates only limited success;
- Consolidating the planning and management of recreation programs in one department should facilitate the delivery of a more streamlined and user-friendly system of recreation programs;
- The single management structure lends itself more easily to implementation of consistent pricing and cost recovery practices for recreation programs; and
- Consolidation offers the potential for cost savings from the elimination of duplicative administrative functions and redundant recreation program offerings.

The major drawback related to a consolidation of recreation programs in a single department is the costs and logistics associated with the transition from the current structure. OLO acknowledges that these costs and logistics pose legitimate issues that need to be addressed; however, OLO cautions against allowing these relatively short-term challenges to outweigh the potential longer-term benefits from consolidation.

Based on the information gathered during the study period, OLO concludes that a consolidation of recreation programs could work in either direction. There is one set of advantages to consolidating all recreation programs under the management of the Department of Recreation; and a different set of advantages to consolidating all recreation programs under the management of the Department of Parks. The advantages of both options are briefly outlined below.

Option A1: Consolidate all recreation programs under management of the Montgomery County Department of Recreation.

Under this model, the County Government's Department of Recreation would be assigned responsibility for planning, managing, and delivering all recreation programs. The Department of Parks would continue to perform its mission to manage the Montgomery County park system, and carry-out its many other functions. The major advantages of this model are:

- It places responsibility within the Department in County Government that already specializes in the management and delivery of recreation programs. Compared to the Department of Parks, the Department of Recreation currently offers the wider array of recreation programs and has more resources (including staff) dedicated to providing recreation programs.
- Continuing to locate recreation programs in a department that reports to the County Government's Chief Administrative Officer facilitates the coordination of recreation programs designed for target populations (e.g., seniors, teens, persons with disabilities) with related programs housed in other County Departments that share the same target audience.

Option A2: Consolidate all recreation programming under management of the Department of Parks.

Under this model, the County would consolidate all recreation programming under the authority of the Montgomery County Planning Board. This consolidation model would almost certainly result in the abolishment of the Department of Recreation, with its non-recreation program functions (e.g., the Gilchrist Center) moved to another County Government department. The major advantages of this model are:

- It would align recreation programming, permitting, facility ownership, and facility operation functions into one agency.
- A single department providing both parks and recreation functions is the model most commonly used in other jurisdictions, and placing all recreation programs in Montgomery County under the management of M-NCPPC would parallel the structure already operating in Prince George's County.

Recommended Next Steps Towards Consolidation. After determining a direction for consolidation, OLO recommends the Council designate an entity responsible for the development of a Transition and Implementation Plan and establish a deadline for completion of such a plan.

OLO recommends the Council should assign responsibility for developing a Transition and Implementation Plan to the agency that would be assuming responsibility for management of all recreation programs, i.e., County Government or the Planning Board.

OLO recommends the Council ask that a Transition and Implementation Plan be completed no later than six months after the Council makes a decision on the direction of the consolidation. At minimum, OLO recommends that this plan address four issues:

1. **Timeline** – the plan should include a timeline for the major phases that would be required in the consolidation and the anticipated timeframe for completing each.
2. **Changes to State and/or County law** – the plan should identify whether any changes to State and/or County law are needed and take the necessary steps towards preparing the relevant legislative amendments.
3. **Organization and programs** – the plan should address how the department and the program offerings will be organized after the consolidation, including the associated fiscal impact (over time) of what is proposed.
4. **Staffing and personnel** – the plan should address the proposed staffing of the new organization and determine how existing personnel in the departments will be affected, both in the short- and longer-term.

LIST OF ATTACHMENTS

Item	Begins at:
Executive Summary of OLO Report 2009-7	©1
Written Comments from the County Chief Administrative Officer, dated January 8, 2009	©5
Written Comments from the Director of the M-NCPPC Department of Parks, dated January 8, 2009	©8
Written Comments from the Montgomery County Planning Board Director, dated January 30, 2009	©15
Written Comments from the Countywide Recreation Advisory Board, dated February 5, 2009	©18

ORGANIZATION OF RECREATION PROGRAMS ACROSS THE DEPARTMENT OF PARKS AND DEPARTMENT OF RECREATION

**OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2009-7
JANUARY 13, 2009**

THE ASSIGNMENT

The Maryland-National Capital Park and Planning Commission's (M-NCPPC) Montgomery County Department of Parks and Montgomery County's Department of Recreation provide recreation programs for the residents and visitors of Montgomery County. The County Council requested this Office of Legislative Oversight (OLO) study to:

- Identify the array of recreation programs offered by the two departments;
- Determine which of the recreation programs are unique to each department, and which are similar to programs offered by the other department;
- Review how the departments currently coordinate the delivery of recreation programs to County residents; and
- Provide the basis for an informed discussion about options for the possible restructuring of recreation programs across these two departments.

PROVISION OF RECREATION PROGRAMS

This OLO study defined recreation programs as: organized recreation activities administered and provided by the Department of Parks or Department of Recreation through career staff, seasonal staff, contract instructors, or trained volunteers.

Department of Recreation. The Department of Recreation operates 32 recreation facilities across the County and provides many recreation programs in five categories: sports, summer camps and clinics, classes and activities, trips and excursions, and special events. The Department of Recreation also provides targeted programs for seniors, persons with disabilities, and teens.

Department of Parks. The Department of Parks operates and maintains 408 parks on more than 34,000 acres of parkland throughout the County. In addition to a variety of management, planning, and maintenance functions, the Department of Parks provides recreation programs in seven categories: sports, summer camps and clinics, classes and activities, trips and excursions, recreational park amenities, special events, and athletic field permitting and maintenance.

COMPARISON OF RECREATION PROGRAMS

OLO compared the array of recreation programs offered by the two departments by grouping the types of programs and identifying which are similar and which are unique. In addition to the type of program, other factors impact the "uniqueness" of an individual program, such as schedule, age range, program fees, program capacity, staffing structure, and location.

In sum, the departments offer a mix of similar and unique recreation programs. Additionally, the Department of Parks and Department of Recreation operate independent administrative structures for program registration, marketing and outreach, and program feedback.

The five categories of recreation programs that are provided by both departments are compared in greater detail on the next page.

COMPARISON OF RECRATION PROGRAMS

Sports Programs. As shown in Table 1, both the Department of Parks and Department of Recreation offer sports programs, but the specific types of sports do not overlap. Staff from both departments report that the current sports programming split has evolved over time, and the departments have worked to avoid duplicative offerings.

Summer Camps and Clinics. As shown in Table 2, both the departments offer summer camps and clinics. Of the ten types of camps/clinics offered, six types are unique and four are similar. During the 2008 summer camp season, the Department of Recreation offered 84 camps and clinics and the Department of Parks offered 69 camps and clinics.

Table 1. Sports Programs

Type	Recreation	Parks
Tennis		✓
Ice Skating		✓
Ice Hockey		✓
Soccer	✓	
Basketball	✓	
T-ball	✓	
Field Hockey	✓	
Softball	✓	
Football	✓	
Volleyball	✓	
Fencing	✓	
Martial Arts	✓	
Aquatics	✓	

Table 2. Summer Camps and Clinics

Type	Recreation	Parks
Nature/Science/Outdoors	✓	✓
Sports/Fitness	✓	✓
Art	✓	✓
Multi-Dimensional	✓	✓
Cultural/Heritage		✓
Scouting Clinics		✓
Drama	✓	
Dance/Performing Arts	✓	
Therapeutic Recreation	✓	
Other	✓	

Classes and Activities. As shown in Table 3, both departments offer classes and activities. Of the 15 types of classes and activities offered, 11 are unique and four are similar. During 2008, the Department of Recreation offered over 900 classes and activities and the Department of Parks offered over 750 classes and activities.

Table 3. Classes and Activities

Type	Recreation	Parks
Arts and Crafts	✓	✓
Cooking	✓	✓
School Break Programs	✓	✓
Wellness/Exercise/Fitness	✓	✓
Nature/Science/Outdoors		✓
Homeschool Classes		✓
Dance	✓	
Martial Arts	✓	
Music	✓	
Instructional Sports Clinics	✓	
Language	✓	
Dog Obedience	✓	
Age-Specific Programming	✓	
Therapeutic Recreation	✓	
Other	✓	

Trips and Excursions. Both departments offer similar types of trips and excursions. During 2008, the Department of Recreation offered 160 trips and excursions and the Department of Parks offered 170 trips and excursions. The primary difference is the target audience: the Department of Recreation limits its trip programming to seniors, teens, and persons with disabilities while the Department of Parks generally provides its trips and excursions for all adults.

Special Events. The departments each offer special events throughout the year that are open to the community and held at various locations and facilities. On certain occasions, the departments also jointly organize and administer special events.

FY09 FUNDING AND STAFFING FOR RECREATION PROGRAMS

DEPARTMENT OF RECREATION

The FY09 operating budget for the Department of Recreation is \$32.4 million and includes around 450 workyears. Table 4 indicates that \$24 million (74%) and 414 workyears (92%) are allocated to the Programs Division and Facilities Division for the direct provision of recreation programs. The Department anticipates receiving around \$11 million in user fee revenue in FY09, recovering 34% of the total Department expenditures and 46% of the Programs and Facilities Divisions' expenditures. The Department's budget is funded primarily through Recreation Tax revenues.

Table 4. Department of Recreation FY09 Programs and Facilities Divisions Budget Data (\$ in 000s)

Division and Program Area	Workyears		Budgeted		Cost Recovery %
	Career	Seasonal	Expenditures	Revenue	
Programs Division					
Camps Program	5.5	30.8	\$1,665	\$1,319	79%
Classes Program	7.3	0.9	\$676	\$520	77%
Sports Program	11.0	20.8	\$2,198	\$855	39%
Seniors Team	12.7	14.0	\$1,754	\$304	17%
Teen Team	24.4	35.8	\$4,716	\$546	12%
Therapeutic Recreation Team	6.7	7.7	\$1,009	\$101	10%
Facilities Division					
Aquatics	25.4	115.0	\$5,964	\$6,065	102%
Regions and Community Centers	42.6	53.2	\$5,897	\$1,244	21%
Total	135.4	278.2	\$23,879	\$10,954	46%

DEPARTMENT OF PARKS

As shown in Table 5, the FY09 approved operating budget for the Department of Parks includes approximately \$19 million in expenditures and 188 workyears for recreation programs. These totals represent around 20% of the Department's total approved FY09 operating budget and 22% of its workforce. The Department anticipates receiving around \$8 million in user fee revenue in FY09, recovering 42% of recreation program expenditures. The Department's budget for recreation programs is funded from both the tax-supported Parks Fund and the Enterprise Fund, a proprietary fund supported by user fees and other non-tax revenue sources.

Table 5. Department of Parks FY09 Recreation Programming Budget Data (\$ in 000s)

Programming Category	Workyears		Budgeted		Cost Recovery %
	Career	Seasonal	Expenditures	Revenue	
Camps, Classes, and Trips					
Nature Centers	20.4	3.8	\$2,057	\$203	10%
Public Gardens	2.6	3.0	\$460	\$180	39%
Enterprise Division	1.0	2.3	\$263	\$165	63%
Other Categories					
Sports Programs	16.9	34.7	\$6,370	\$5,989	94%
Recreational Amenities	6.1	13.2	\$1,303	\$931	71%
Athletic Field Permit./Maintenance		84.4	\$8,762	\$650	7%
Total	188.4		\$19,215	\$8,118	42%

PRICING AND COST RECOVERY

The Department of Recreation and Department of Parks have separate pricing and cost recovery policies and practices. In 2006, the Council adopted Executive Regulation 12-05, "Department of Recreation Fee Procedure," which established a formal user fee and cost recovery policy for the Department of Recreation. The Department of Parks does not have a universal pricing and cost recovery policy; instead policies can vary by program type and funding source.

INTERDEPARTMENTAL COORDINATION

Over the past 20 years, the departments have entered into several formal lease agreements and signed four memorandums of understanding (MOU). In July 2004, the Department of Parks and Department of Recreation entered into an MOU to clarify the working relationship between the departments in 10 functional agreement areas. The MOU also included coordination goals and detailed action steps for each area. To date, however, the implementation has been mixed at best as most of the action steps detailed in the 2004 MOU have not been fully implemented. As a result, while some effort is made by both departments to coordinate activities and administrative functions, in practice, the two departments operate largely as two independent entities.

RESTRUCTURING OPTIONS AND OLO RECOMMENDATION

OLO developed four options for possibly restructuring recreation programs, listed below. The first option proposes consolidating the management of all recreation programs under one department. The other three options maintain the existing two department structure, but provide some of the benefits that would come from consolidation.

Option A: Consolidate the management of all recreation programs under one department.

A1: Consolidate all recreation programs under management of the Montgomery County Recreation Department.

A2: Consolidate all recreation programs under management of the Montgomery County Department of Parks.

Option B: Maintain the two department structure, but assign program responsibilities between the two to eliminate overlap.

Option C: Maintain the two department structure, but consolidate recreation program registration and marketing under one department.

Option D: Maintain the two department structure, but press for implementation of the provisions negotiated in the 2004 Memorandum of Understanding (MOU).

Office of Legislative Oversight's Recommendation for Council Action

OLO recommends that the Council endorse consolidation of all recreation programs under one department (Option A1 or A2). Recognizing the multiple staffing and program details that must be worked out with such a change, OLO also recommends the Council assign and establish the deadline for the preparation of a Transition and Implementation Plan.



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Memorandum

Timothy L. Firestine
Chief Administrative Officer

January 8, 2009

TO: Craig Howard, Legislative Analyst, Office of Legislative Oversight
Rich Romer, Legislative Analyst, Office of Legislative Oversight

FROM: Timothy L. Firestine, Chief Administrative Officer

SUBJECT: OLO draft "Organization of Recreation Programs Across the Department of Parks and Department of Recreation"

Thank you for your leadership and collaboration in preparing this excellent draft report. It is a tremendous resource for understanding the organization and operation of the Department of Recreation ("Recreation Department") and Department of Parks ("Parks Department"). I hope it will serve as a catalyst for beginning an in-depth analysis of steps that should be taken to optimize recreational programming in the County.

There is no question that recreation programs provided by both departments contribute significantly to the quality of life in the County and are greatly valued by our residents. A 2007 resident survey conducted by the National Research Center, Inc. found that 86% of County residents had visited a park in their community and 62% reported that they had used a County Recreation facility. In addition, over 80% of County residents reported that the number of recreational opportunities and quality of those opportunities were either "excellent" or "good". When asked what they liked most about County programs and services, County residents identified parks and recreational opportunities as the 2nd most popular category.

The OLO report indicates that most of the Parks Department's recreation programs are associated with its Enterprise Facilities (e.g., ice skating classes at the ice rinks, nature programs at the nature centers, etc.). For the most part, the Recreation Department does not provide the same types of classes, camps, and sports programs that are connected to those Enterprise Facilities.

However, we believe that the County could achieve a number of benefits by consolidating all recreation programs in one department, including:

- Consistent philosophy, mission, and priorities;
- Improved service for County residents (e.g., simplified "one-stop shopping" for camps, after-school activities, summer activities, sports, classes, and registration);

- Coordination of long-term planning for programs and facilities; and
- Enhanced volunteer and staff capabilities.

In light of these likely benefits, as well as the potential for achieving budget savings, we think the time is right for the County to fully explore and resolve all of the issues involved in consolidating programs in a single department.

We believe that this effort should include a Community Inventory of Recreation and Leisure Services. Many non-public entities provide recreational programs that compete directly with programs offered by the Parks and Recreation Departments. For example, there are hundreds of private camps offered throughout the County that impact registration for similar Parks and Recreation programs. A comprehensive community inventory that included a review of all of these types of programs would provide important context for decisions that must be made in order to consolidate all public recreation programs in one department.

We agree with OLO that there are many benefits to consolidating all recreation programs in the Recreation Department because this department already specializes in the management and delivery of recreation programs. Compared to the Parks Department, the Recreation Department currently offers a wider array of recreation programs and has more resources (including staff) dedicated to providing recreation programs. We expect that consolidation of programming in the Recreation Department could achieve efficiencies and savings typically associated with economies of scale. We also agree with OLO that placing all recreation programs in a department that reports to the County's Chief Administrative Officer would facilitate coordination of recreation programs designed for target populations (e.g., seniors, teens, persons with disabilities) with related programs administered by other County departments which serve the same target population.

The OLO report notes that one benefit of placing all recreation programs in the Parks Department is that this option would "align recreation programming, permitting, facility ownership, and facility operation functions into one agency". We believe that the final report should clarify that this benefit could also be achieved by merging the Parks Department into the Recreation Department. We also believe that the Council should fully explore this option in connection with its review of recreation programming.

The OLO report also notes that placing all recreation and parks programs under the management of the Parks Department would parallel the structure in Prince George's County. This statement is somewhat misleading. In Prince George's County, the County Executive appoints Planning Board members with the consent of the County Council. This gives the

Craig Howard
Rich Romer
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Executive more influence and control over the Parks Department than is true in Montgomery County. Viewed from this angle, consolidating recreation and parks programs in the Recreation Department would be consistent with the structure in Prince George's County. We look forward to participating fully in the Council's review of this report and analysis of all related issues.

cc: Gabe Albornoz, Director, Department of Recreation
Joe Beach, Director, Office of Management and Budget
Joe Adler, Director, Office of Human Resources
David Dise, Director, Department of General Services
Melanie Wenger, Director, Office of Intergovernmental Relations
Ginny Gong, Director, Community Use of Public Facilities
Jennifer Barrett, Director, Department of Finance
Kathleen Boucher, Assistant Chief Administrative Officer

TLF:rsd



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

January 8, 2009

Mr. Craig Howard
Office of Legislative Oversight
Stelia B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Howard:

This letter is in response to the Office of Legislative Oversight Draft Report #2009-7, "Organization of Recreation Programs Across the Department of Parks and Department of Recreation" and provides comments from the Department of Parks (Maryland-National Capital Park and Planning Commission) Montgomery County. A formal reply from the Montgomery County Planning Board and Park Commission (M-NCPPC) will be prepared and delivered after the final report is officially and publicly released.

In general, we are grateful for the conscientious effort by OLO staff to summarize and understand the recreation and related programming offered by both the Department of Parks and the County's Department of Recreation (MCRD.) We appreciate the effort the reviewers made to pull out relevant data from many sources to present an overview of what we both provide. It was clear from the outset that this would be a complex task, and we found the OLO staff to be patient, inquisitive, and ultimately fair. We also find that while the report lists program offerings and the status of the relationship between the two departments fairly well, it also shows various options for the future which would require more analysis than a simple comparison of program offerings might suggest.

We are pleased that, overall, the OLO staff finds that cooperation and a cordial working relationship is a hallmark of these two departments, and we truly appreciate highlighting those areas where we could do better between us. The review of the 2004 MOU was most helpful in understanding where we should place renewed effort if the status quo were to continue.

It remains clear to us, however, that parks and recreation should be merged -- the sooner the better. The conclusions and findings in this report further reinforce the overwhelming evidence for us that both departments should be placed within M-NCPPC for operational, financial, and legal reasons. To move in the other direction would be like having the sparrow swallow the eagle.

Below are our comments on: the recreational programming portion of the report; the conclusion and options for the future; and the legal concerns we believe are required for any analysis of those conclusions.

RECREATIONAL PROGRAMMING INFORMATION

1. **Data.** The charts, graphs, and narratives are quite informative up to a certain point. We note that the ratio of revenues to costs is roughly equivalent between the two agencies. A couple of caveats:

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our revenues would be higher except for the fact that we give a price break for use of park facilities to our sister agency and biggest user, MCRD. This both lowers their costs and raises ours. Therefore, if corrected to reflect a true cost of doing business, the Department of Parks would appear to be more efficient. Second, we would have liked to see a comparison of the pay and benefits for an average MCRD employee in the report as well. The amount shown for M-NCPPC can be misleading because our work extends far afield from the lone provision of recreational programming and encompasses a broader range of responsibilities. Given the short time for the study, sticking to an overall surface look at what both agencies do in recreation alone is understandable, but it is not comprehensive without further analysis and drilling down into the numbers. Such analysis could assist us in deciding the best way to hire and deploy staff and make better use of seasonals and other forms of personnel management.

2. **Recreation and operations.** In the case of parks, recreational programming is treated as though it is separable from the operation of recreational facilities. It has proved to be nearly impossible, however, to sever operations and programming. Those who come to attend a programmed athletic event, for example, may also be users of the trails and picnic areas, and use the restrooms and other facilities. To have programming separated from the other forms of park operations is part of the reason we must constantly coordinate with MCRD, as called for in the MOU, and a major reason that, no matter how often we communicate, things arise on a daily basis that take more time to resolve than would be true under a unitary system of management. We appreciate that the OLO analysis recognizes this in its finding that a merger is desirable.
3. **Work years vs. positions.** We note a common problem in the display of our personnel costs, leading to a fallacy of implicitly thinking of "work years" as "positions." This is an understandable error, since we use a program budget and the authors have tried, in each of our program elements, to identify the work years associated with recreational programming. They seem to have sorted through our program budget well enough, but one work year may involve a portion of the work of several people. An example is the Brookside Gardens gardening programs and classes. The 2.6 career WYs are not necessarily 2 people working on the recreational programs full time, and another working 60% of the time. It could be many individuals amounting to 2.6 WYs. We often use professional staff who carry out educational functions as part of their broader jobs in parks. So, transferring the actual number of bodies to the Recreation Department could seriously impair the "non-recreational" activity at Brookside Gardens and other parts of the organization.
4. **Management costs.** This is another byproduct of our otherwise useful program budget. In this report, OLO included our program budget "management" costs as part of our recreation program expenditures. Do the MCRD numbers include a proportional percentage of their Administrative Division or Director's Office costs? If not, ours shouldn't either. (A particularly noticeable example is on page 38, Table 4-9; without the "management" costs, we'd have a small profit instead of showing a \$400K loss.) This is also an issue with what is identified as "overhead" which really includes all planning and management, not extras nor waste. Finding #11 states MCRD's operating budget for Programs and Facilities is \$23.9M in expenditures with an estimated \$11M in revenue. Again, does this include a proportional percentage of the administrative division and director's office costs? Does it include whatever payment (if any) is made to cover Park Police patrols? Are all associated costs included? If not, it cannot be compared to the Parks numbers in Finding #12, which include debt service and all associated costs from the program budget.

5. **Debt and capital costs.** As noted above, we are concerned that the budget numbers in the report do not allow an apples-to-apples comparison. Our expenditures include debt service; MCRD's do not. This leads the reader to presume that many of our programs are not profitable when, in fact, if we were treated like MCRD and not held responsible for our own debt service, many of these programs would actually show a profit. The numbers should be altered to allow a fair comparison. The Department of Parks provides facility planning, design, and construction management of its capital projects such as ice rinks and tennis centers with the Department's own resources, whereas the Department of Recreation relies upon the Department of General Services for capital development services.
6. **Quality of offerings.** There is some mention of user satisfaction surveys, but not of the results of those surveys. We can find no mention of participation levels, number of people served, or satisfaction levels. How can one possibly evaluate the success of programming without that information? The decisions on who offers what programming should be based on participation levels and customer satisfaction. Those decisions should be based on "who's doing it better?" not "who's doing it now?" They run the risk of eliminating successful, popular programs to make way for programs that aren't in demand.
7. **Multiple providers.** Our two agencies are not the only providers of recreational services in the County. And there really isn't that much programming overlap. In a county this size, there may well be enough demand to merit the multiple offerings in similar program areas. A proper report on county recreational programming would be assessing the overall recreation demands/needs of the county and reviewing all of the relevant program providers to determine appropriate levels of supply and demand and determine the right mix of county programs. So, just looking at the two of us limits understanding the full demand for these services. The ancient notion of consolidation of county recreational programming established in 1952 could not have foreseen a Montgomery County of 1 million citizens, with multiple providers (YMCA, private organizations, Boys and Girls Clubs, etc.) for our youth, seniors, and others. We are well past that kind of thinking now. If anything, the competition between us (such as there is, and on a very limited basis) has been good for both of us as well as for our constituents. There is clearly enough demand for ever more recreational opportunities to keep us all busy. The Department of Parks got into increasing its programming in response to a clamor for more options from our citizens and users. It was done in response to demand. Therefore, the threshold question of this report--is there "duplication" of recreational services? --could be answered with a resounding "yes" and a further answer of "why not?"
8. **Enterprise.** The Enterprise portion of our recreational offerings deserves special mention. Essentially, we have two among several conflicting laws on the books--a 1952 ruling to consolidate recreation in its own department, yet a later law setting up the Enterprise fund for parks to provide certain recreational services and make money from them. We cannot have a true Enterprise Fund if we can't maximize the potential to raise additional revenue through programs. No private operator would be held to such restrictions and still be expected to have a profitable bottom line. Our creative new programming and camps sponsored by or located in Enterprise facilities (ice rinks, tennis, trains, etc.) is helping us to turn the corner in becoming more self-sustaining. We don't need more constraints here; we actually would like to expand these to meet our mandated performance goals.

9. **Miscellaneous provisions and corrections.**

- The report lists "School Break Programs" as a type of class/activity. This describes "when" programming is offered, not "what" type of program is offered. It should not be included in this list.
- **Page 4 lists Athletic Field Permitting and Maintenance** under the definition of OLO's seven categories of recreation programs. Technically, Athletic Field Permitting and Maintenance is not a recreation program, but is a means or a by-product of providing programs.
- **Page 33: Program Budget** – The program of "Administration of Parks" has only one sub-program. It is titled "Overhead" in the draft report. As the term "overhead" is not relevant to several of the of the program elements in this program, we have simply named the sub-program the same as the program; "Administration of Parks". We request you make this change.
- **Page 51 in the "program feedback and evaluation" section** states that "The Department of Recreation coordinates its program feedback and evaluation efforts through one staff member in the Director's Office..." We then should change our first sentence in that same section to read, "The Department of Parks coordinates its program feedback and evaluation efforts through one staff member in the Park Information and Customer Service Division..." The way it is currently written makes it appear that we have multiple staff dedicated to doing this when, similar to MCRD, it is only one person.
- **Page 52: "Facilities Operated by the Department of Recreation on M-NCPPC Property"** appears to have a couple of errors. Many of the facilities listed are not located on park property. Several are located on County-owned property. The table also excludes some Recreation Centers, including Damascus, Potomac, Scotland, Marilyn Praisner, and Germantown, which are all on County property. The only facilities known to be located on park property are:
 - Germantown Indoor Swim Center
 - Montgomery Aquatic Swim Center
 - Bethesda Outdoor Pool
 - Long Branch Outdoor Pool
 - Wheaton / Glenmont Outdoor Pool
 - Gwendolyn Coffield Recreation Center
 - Good Hope Recreation Center
 - Leland Recreation Center
 - Long Branch Recreation Center
 - Plum Gar Recreation Center
 - Wheaton Recreation Center
 - Olney Manor Skate ParkThe County has full responsibility for programming, operation, and maintenance of these facilities except for the Wheaton Recreation Center and the Olney Skate Park, which are maintained by M-NCPPC.
- **Page 56, in the bulleted list at the top**, add a bullet that reads "Regular release of unneeded fields prior to the start of each season to provide other county residents access and use of these amenities."
- **Page 57: Budgets** – It may be worth noting that M-NCPPC and the Montgomery County Recreation Advisory Boards jointly host a widely publicized "CIP Public Forum" in advance of every CIP in order to solicit public comment on park and recreation capital projects.

- **Page 61, in the "implementation in practice" section, second paragraph, the report states a parks recommendation as "...for both departments to designate lead marketing contacts."** This is incorrect; Parks already has a lead marketing contact. Our recommendation was for MCRD to establish one so we could more effectively coordinate our efforts.

CONCLUSIONS AND OPTIONS

Basically, it appears this "programming" study is really just an entryway into the merger discussion, and we welcome this conversation. Clearly, MCRD shares our view that this has been an unusual and occasionally awkward arrangement for both of us. The report itself leaves the analysis of its findings to decision makers, but does support a better model in Option A. It appears to say: decide how you want to fuse these organizations (or parts thereof) and then let someone else figure out what it will cost and how to do it. The "structural problems" that prevented a consolidation in the 1990's are not fully discussed nor amplified.

We understand one of the major structural problems is the historic and successful union of parks and planning in the same agency, developed with much institutional autonomy while retaining a high level of accountability. On the Prince Georges County side of M-NCPPC, parks includes the recreation function, and that alliance has worked extraordinarily well. In 1970, the Prince Georges County Recreation Department was merged into the Maryland-National Capital Park and Planning Commission by the General Assembly. All county benefits were grandfathered in with the merger. Since the merger, creative programs have been developed and award-winning facilities have been constructed, which has been instrumental in M-NCPPC winning the National Park and Recreation Association Gold Medal Award for Park and Recreation Excellence five times. No other agency in the country has come close to that record. M-NCPPC bested hundreds nationwide for this prestigious award, and was asked to take a five-year hiatus in 2004 so that others could compete. M-NCPPC is considered a leader in nationwide park and recreation circles, and others frequently ask to benchmark their programs against ours. It would be foolish to tear apart further one of Montgomery County's most cherished assets. We find that most other park and recreation agencies are astonished, however, that we on Montgomery County side have separate park and recreation departments.

Our analysis of the merger options:

Option A1. We do not think it is feasible to pursue Option A1—consolidate all recreation programs in MCRD—without seriously considering what this means to the efficient operation of a much larger and more diverse parks department which has recreation as just one of its functions. Transferring the entire department to the county would not be a good move, in our view, and would be contrary to the kind of "green balance" we provide between stewardship of our generous resources and recreational programming. The original genius of the founders who created the Park and Planning Commission has given us the great system of protection and opportunity we have today. Moreover, following Option A1 could likely result in the elimination of the Park Police, reducing park security. Policing parks is not something County/city police generally like to do. Most large public park systems have dedicated law enforcement patrols. Additionally, a consolidation under the county as proposed by Option A1 could sever programming of some recreational activities from the underlying resource and its management. Because the OLO report uses the term "recreation" to mean *permitted and scheduled* activities, it is fundamentally misses one huge aspect of recreation as it is generally defined – the *passive recreation and unprogrammed* activity in which most park users engage. The State survey of park and recreation needs previously supervised by our current Chairman, Dr. Royce Hanson, found hiking and walking in the parks to be the most common form of recreation. This takes nothing away from programmed sports

and other organized and scheduled activities. It suggests, however, that there is value in keeping all recreational activities and programs in a single organization. Trying, as Option A1 does, to distinguish the programmed from the unprogrammed will not result in clarity of mission. We cannot run a park system that does not organize some outdoor and indoor programs that help park users enjoy the resources of the system as a whole. Finally, the flexibility we have as a State-chartered agency allows us to pursue funding options to keep these programs going in tough times, in a way that is less available in an executive department of County government.

Option A2. Option A2 is clearly the most attractive to us. The Department of Parks already has some well-managed recreation offerings as just one component of larger land and facility management structure that also includes planning for facilities, construction of those facilities, acquisition of suitable sites and locations, and trails, maintenance, and security patrols. This choice to consolidate all recreation programming in the Department of Parks is quite feasible and makes good sense. With the excellent talent, offerings, and capabilities of the current Recreation Department, they could be much more easily absorbed into us than we into them. There will be some problems associated with assuming the retirement and compensation programs of MCRD, but those are surmountable. Our systems are no longer that different. It is a natural fit, as our counterparts in Prince George's County and throughout the country have shown. There will probably be some savings in personnel, but not much as recreational demand continues to climb. This kind of move would join programmed activity, facility management, and operations in an organization that knows how to manage very large operations and budgets, and has some independence to locate and tap alternate sources of funding. It produces a balance between active and passive recreation and recognizes their frequent overlapping roles. It does not require unscrambling the egg. It places the programmers of facilities in positions of shared responsibility for the quality of the facilities they program and in positions of greater influence with the parts of the department that build, operate, and maintain them. This approach also preserves the connection between parks and planning, which has been of such great benefit to the county.

Other choices. Simply moving the Department of Parks recreational programming function to MCRD makes no sense, given the uncertainty of the passive recreational programming component, the core parks nature study classes and similar programs, and the recreational requirements of the Enterprise Division – all cited above. Improving cooperation and fully implementing the current MOU is an excellent alternative if no structural changes are to be made.

LEGAL ISSUES

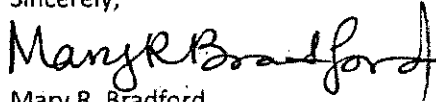
As noted by the OLO Report in its conclusion, we are seeking legal guidance on what must be done to analyze the options more fully and to move this discussion along.

In particular, the Department believes that OLO and the Council should consider an important legal question before taking any action on the recommendations contained in the report. Specifically, County policy historically has assumed that the Park Tax is "county taxes" for the purpose of Section 305 of the County Charter. According to the Commission's Office of General Counsel, that historical treatment is not necessarily legally correct, and our General Counsel has invited the County Attorney to consider and discuss this question further. As a practical matter, if our General Counsel's tentative view of this legal issue holds true, the fact is that the County Government would have far more flexibility to establish workable tax rates for the Commission than may otherwise be available for "real" County taxes. In other words, the County may have relatively more flexibility to achieve adequate funding levels for operations by consolidating all these operations under the Department of Parks.

We await further legal guidance on this matter and pledge to continue to make the best choices for the provision of recreational opportunities for our citizens in continued cooperation with the Department of Recreation.

On behalf of all of us in the Department of Parks, I must personally note what a pleasure it was to work with the OLO staff on this report. As they asked questions and explored our parks and offerings, it helped us more thoughtfully articulate our thinking for the future and gave us a clear-eyed look at how and what we were doing. We respectfully submit our comments with the greatest respect for the good work done in such a short time period, and look forward to further discussion.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary R. Bradford". The signature is fluid and cursive, with the first name "Mary" being the most prominent.

Mary R. Bradford
Director of Parks



MONTGOMERY COUNTY PLANNING BOARD
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

OFFICE OF THE CHAIRMAN

January 30, 2009

The Honorable Phil Andrews
President, Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Re: Office of Legislative Oversight Report # 2009-7; Organization of Recreation Programs across the
Department of Parks and Department of Recreation

Dear Mr. Andrews:

The Planning Board appreciates the opportunity to comment on the Office of Legislative Oversight (OLO) Report # 2009-7 in advance of the Council's discussion on the topic. In general, we are appreciative of the conscientious effort by the OLO staff to understand and summarize the varied services and recreation programs provided by the Department of Parks and the Department of Recreation.

OLO's assignment was to identify the recreation programs offered by both Departments; determine which are unique and similar; identify the level of coordination between the Departments; and suggest options for restructuring the delivery of recreation programs. The Board's discussion at its meeting on January 22, 2009, pondered a broader question than the OLO's charge, that is; how can we provide the very best Park and recreation experiences and opportunities to the residents of Montgomery County? The report identifies several options to restructure the delivery of recreation programs, and recommends the consolidation of all recreation programs under one department. It recommends either the merger of the Recreation Department into the Department of Parks (Option A2), or a portion of the Parks Department into the Department of Recreation (Option A1), without favoring either alternative.

If a consolidation or merger is to occur, the Board feels strongly that the Recreation Department should merge with the Parks Department as part of the Maryland National Capital Park & Planning Commission (Option A2). As the report concludes, "a single department providing both parks and recreation functions is the model most used in other jurisdictions". The Department of Parks and Recreation in Prince George's County under the M-NCPPC is a highly successful example of this model. There is a strong link between the planning, management, and operation of a park system and the provision of recreational programs. The sections below highlight some of the major points of our discussion:

COORDINATION OF FACILITY MANAGEMENT AND OPERATIONS. Consider, for example, the nature center manager responsible for the environmental management of the land and grounds at the center being the same person coordinating or perhaps teaching the nature programs. Would it make sense to have the program manager come from another agency? It is an everyday occurrence in the Parks Department to have staff involved in regional planning, park planning, facility operations and maintenance, and policing interacting and collaborating with the staff that provide recreation programs in the parks. The option A2 strengthens that relationship, while the option A1 further divides it.

ANALYSIS OF OPTION A2. Implementing option A2 would create, in all likelihood, a complete merger of the two Departments. The report concludes regarding A2; "This consolidation model would almost certainly result in the abolishment of the Department of Recreation...". The report estimates that 92 % of Recreation's work years are related to the direct provision of recreation programs. Advantages of option A2 include:

- Coordinating the opportunities parks provide for passive, unprogrammed recreation such as enjoyment of natural areas and hiking trails with provision of active programmed recreation;
- Expanding the already synergistic relationship between parks and land use planning to the area of recreation programs;
- Expanding the high quality recreation programs already delivered by the Department of Parks;
- Potentially greater flexibility for the funding of park and recreation programs; and
- Continuing the direct control of parks under the leadership of the County Council.

ANALYSIS OF OPTION A1. Option A1 is not a direct counterpoint to the full merger of option A2 since it does not move all of Parks into the Recreation function, only certain programs. Under this option, there would need to be further study in order to identify all work years and resources in Parks associated with the provision of recreation programs and move them into the Recreation Department under the County Executive. The OLO report estimates that 22% of Parks approved FY 09 work years are dedicated to recreation programs. Our own staff analysis concludes this figure is actually much smaller, since the OLO report included many work years attributed to athletic field maintenance within that number. Because many staff within parks split their time between park management and recreation programs, the separation of part of parks is much messier than the full merger that option A2 achieves. Moreover, if today's identified recreation program staff are separated from Parks, it is very likely by the nature of parks that future program opportunities will sprout.

COST AND TIMING FACTORS. There was some sentiment on the Board that this report by OLO identified a "situation" but not a "problem." Because of the complex nature of governance for the two departments (one County and one State-chartered) it appeared that the costs of implementing either option did not justify that "the juice was worth the squeeze," given several other challenges that the County must deal with in the next year. In general, the OLO report did not identify an urgent problem that needs a fix and implies things are generally working well in the areas of parks and recreation. If

there were substantial cost savings through a merger, that would be an obvious reason to move forward; however, the report does little to demonstrate how that will happen and there is skepticism that significant cost savings will materialize. There is no doubt that short-term costs would be incurred and that significant resources would be directed towards planning and implementation of any restructuring or merger. The report did not substantiate that areas of overlap in the provision of recreation programs is extensive, or that it is necessarily problematic. One can argue that a little competition between agencies is a good thing, and the report did not conclude that either Department's programs were suffering as a result of the others.

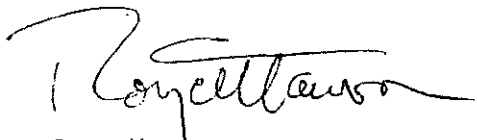
CONCLUSION OF THE BOARD. If the Council does not support option A2, then the Planning Board recommends option D as the next preferred option. It directs both Parks and Recreation to review and implement provisions of the 2004 Memorandum of Understanding between the Departments. One obvious goal we will continue to pursue is to make the review and registration for recreation programs simpler and more transparent to the end-user.

A letter from Mary Bradford, Director of Parks included on pages 85-91 of the report provides additional detail on the merits of option A2 and the data and conclusions regarding parks.

The memorandum from the County Executive's Chief Administrative Officer on pages 82-84 of the OLO report advocates the consolidation of recreation programs in one Department, and also suggests that the Council expand the study to look at an option to move the entire Department of Parks into the Recreation Department. The OLO report does not provide sufficient data to evaluate that option. In the private sector, the failed AOL /Time Warner merger was cited by one Board member as an example of why programming organizations should not attempt to absorb larger infrastructure-based organizations.

The Board looks forward to continued discussion with the Council on the optimal structure for the delivery of park and recreation services to the residents of the county.

Sincerely,



Royce Hanson
Chair, Montgomery County Parks Commission

cc: Craig Howard, OLO
Mary Bradford, Director of Parks



COUNTYWIDE RECREATION ADVISORY BOARD

c/o Department of Recreation • Office of the Director
4010 Randolph Road • Silver Spring, Maryland 20902
240-777-6800, FAX 240-777-6803

February 5, 2009

The Honorable Phil Andrews, President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear Council President Andrews:

It is with great respect that I write to you on behalf of the Countywide Recreation Advisory Board (the "Board") regarding the January 9, 2009, Office of Legislative Oversight ("OLO") report entitled "Organization of Recreation Programs Across the Department of Parks and the Department of Recreation (the "Report"). The Report addresses the sole focus of our Board—ensuring that recreation programs offered to the County's citizens are the best they can be.

Richard Romer and Craig Howard of OLO met with members of the Board on Monday, February 2, to discuss the Report, which previously had been made available to Board members. The Board spent a great deal of time and effort both before and during the meeting reviewing and discussing the points and issues raised in the Report (which we found to be thoughtful and comprehensive). Each Board member—voting and ex-officio—participated, since the efficient delivery of services by Montgomery County Recreation Department (MCRD) and Parks is extremely important to the health, welfare and well-being of every County citizen.

After these discussions, the Board unanimously approved a resolution supporting the OLO's recommendation to endorse consolidation of all recreation programs under one department, and to recommend that the Council assign and establish the deadline for the preparation of a Transition and Implementation Plan. The Board also unanimously approved a resolution recommending that the Council direct an additional study to evaluate the complete merger of all programs and facilities under MCRD and Parks.

These resolutions were passed because the Board believes the citizens of Montgomery County will be better served by a more consistent and user-friendly system of accessing recreation programs. Citizens currently find it difficult to access account information, to identify the appropriate office to receive and process permit applications and to find general information regarding recreation programs, among other issues. Based on our review of the Report and the

discussions that occurred at our last meeting, the Board believes these issues can be resolved by consolidating the administration of recreation programs under one department.

That Montgomery County's recreation programs are the best in the country is not a reason to avoid seeking ways to improve how they are delivered, particularly if there is a solution that has the potential of saving money over time. We fully appreciate that the County is facing difficult financial decisions, and hope the OLO's careful study of recreation programs, and the citizen voices represented by the Board, are given due consideration in determining how to proceed. I would be happy to meet with you to discuss the Report and the Board's findings at your convenience.

Respectfully submitted,

Donna W. Bartko, Chair
Countywide Recreation Advisory Board